

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2740 - SB 2622**

February 17, 2022

**SUMMARY OF BILL:** Categorizes the construction and operation of dairy creameries, milk bottling plants, and certain slaughterhouses as agriculture operations that are not subject to local zoning requirements when located on agricultural land.

**FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Tennessee Code Annotated §§ 5-1-118(b) and 6-54-126 provide that local governments are not authorized to prohibit or regulate normal agricultural activities or to use zoning power to interfere in any way with the use of any land that is used for agricultural purposes.
- The proposed legislation would categorize the construction and operation of dairy creameries, milk bottling plants, and certain slaughterhouses as “normal agricultural activities” and include these operations for “agricultural purposes” as well.
- Tennessee Code Annotated §§ 1-3-105 and 43-1-113 define “agriculture” as:
  - The land, buildings and machinery used in the commercial production of farm products and nursery stock;
  - The activity carried on in connection with the commercial production of farm products and nursery stock;
  - Recreational and educational activities on land used for the commercial production of farm products and nursery stock; and
  - Entertainment activities conducted in conjunction with, but secondary to, commercial production of farm products and nursery stock, when such activities occur on land used for the commercial production of farm products and nursery stock.
  - As used in this definition of agriculture, the term farm products means forage and sod crops; grains and feed crops; dairy and dairy products; poultry and poultry products; livestock, including breeding and grazing; fruits; vegetables; flowers; seeds; grasses; forestry products; fish and other aquatic animals used for food; bees; equine; and all other plants and animals that produce food, feed, fiber or fur.
  - As used in this definition of agriculture, the term nursery stock means all trees, shrubs, or other plants, or parts of trees, shrubs or other plants, grown or kept for, or capable of, propagation, distribution or sale on a commercial basis.

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- In Opinion No. 17-35, dated July 26, 2017, the Attorney General and Reporter (AG) opined that that the definition of “agriculture” used in Tenn. Code Ann. §§ 1-3-105 and 43-1-113 applies in determining the meaning of “agricultural” in Tenn. Code Ann. § 5-1-118(b) and elsewhere in statute.
- It can be reasonably assumed that the definition of “agriculture” in Tenn. Code Ann. §§ 1-3-105 and 43-1-113 would apply to the construction and operation of creameries, dairy bottling plants, and certain slaughterhouses; therefore, categorizing such operations as “normal agricultural activities” and for “agricultural purposes” will not result in any significant impact to local government.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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